

# **FISCAL NOTE**

## **HB 2686 - SB 2615**

January 29, 2004

**SUMMARY OF BILL:** Requires public institutions of higher education to waive all tuition and fee increases for a period not to exceed six years for students who were enrolled prior to their mobilization for active duty in one of the armed services of the United States. Eligibility for the waiver is extended only to those students who are honorably discharged, have not completed a baccalaureate degree, and have been awarded an eligible combat medal or combat related badge.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$88,000 FY04-05  
\$364,000 FY05- 06 and thereafter**

The cost to higher education institutions is based on the following:

- The point at which these students were in their educational career (freshman, sophomore, junior, or senior) when they are mobilized to active duty.
- The number of students who were enrolled in a higher education institution at the time of their mobilization, who will return to finish their undergraduate degree.
- The average length of stay in a higher education institution in order to complete a degree versus the length of stay of these students because of this program.
- The number of students who will transfer from a 2-year school to a 4-year school and remain in school.
- Tuition and fees are estimated to increase at an average of 7% per year while tuition and fees will remain frozen for these students.
- It is estimated that the maximum number of students affected by this bill during the first year will not exceed the number of students mobilized during the 2003 calendar year (383 students). The loss of revenue the first year is estimated to be \$88,039.
- Further, it is estimated that the total number of students for the second and subsequent years will not exceed twice the number of students mobilized in 2003 (765 students). The loss of revenue the second and subsequent years is estimated to be no more than \$363,627.

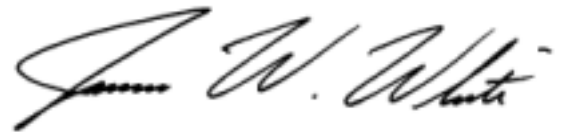
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- Shown below is the estimation of the maximum number of students who could be affected by the bill in FY04-05 and FY05-06 and the amount of tuition that would be lost due to freezing tuition increases for these students:

	<u>4-Yr School</u>	<u>2-Yr School</u>	<u>TTC</u>
FY04-05	246 students (\$278)	131 students (\$145)	6 students (\$108)
FY05-06	492 students (\$575)	261 students (\$299)	12 students (\$224)

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director